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March 19, 2004

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: Request for Extension of Time – CC Docket No. 02-6  
Children's Studio School - Public Charter School  
Universal Service Administrative Company Denial  
of Appeal with respect to 471 Application No. 250771

Dear Ms. Dortch:

I am writing to request a thirty day extension of time to respond to the denial by the Universal Service Administrative Company ("USAC") of the appeal filed by the Children's Studio School - Public Charter School (the "Studio School") of a decision by the Schools and Library Division ("SLD") holding that the Studio School is required to refund funds provided under the E-rate program during the 2001-02 Funding Year. Under the rules, the Studio School's appeal is due tomorrow.

The Studio School is a District of Columbia public charter school that received its charter in 1996 from the District of Columbia Board of Education. It receives the majority of its funding from D.C. public charter school funds through a per-pupil formula. As its name implies, the Studio School's Arts As Education<sup>®</sup> process is the principal vehicle through which it educates its students -- most of whom come from impoverished backgrounds. Many come from broken homes with little support for their education. The Studio School employs respected artists from diverse cultures as teachers. Architects, visual and performing artists, and writers engage children in the artist's processes of inquiry, experimentation and critiquing as a rigorous, all-encompassing means of education.

As a public charter school, the Studio School operates under extremely tight financial constraints and relies heavily on volunteers to supplement those limited financial resources. It sought the E-rate funding in issue here through the assistance of a volunteer and had relied on the volunteer to prosecute the appeal to the SLD. The letter rejecting its appeal was sent to the volunteer who assisted the School and was not received by the School in a timely manner. Moreover, the copy of the letter that it did

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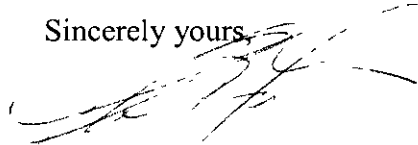
Ms. Marlene Dortch  
March 19, 2004  
Page 2

receive was a faxed copy that was virtually unreadable. (A copy of that letter is attached.)

The principals of the Studio School have no familiarity with the USAC/SLD rules or procedures. Since receiving the USAC rejection letter, they have been trying diligently, but unsuccessfully, to obtain assistance in deciding how to proceed. This extension of time is requested so that the School can, with assistance, review the facts, including obtaining a readable copy of the letter denying its appeal, and determine whether it has a basis for seeking review or whether it must explore how to address the financial problems the refund demand will place on its operations. Grant of this short extension request will serve the interests of the E-rate program by allowing a needy educational institution to determine intelligently how best to proceed so that it can continue to advance the education of its students.

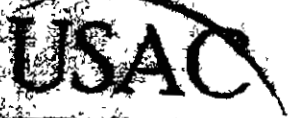
If there are any questions concerning this matter, please let me know.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Theodore D. Frank', with a long horizontal flourish extending to the right.

Theodore D. Frank  
Counsel for Children's Studio School

cc: Schools & Libraries Division  
Ms. Marcia McDonell



Universal Service Administrative Company  
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2001-2002

January 20, 2004

Gail Sharr  
Connectivity+ Inc.  
Box 73856  
Washington, DC 20056-3856

Re: Children's Studio School-Public Charter School

Accessibility Number: 200928  
Application Number: 250771  
Funding Request Number(s): 618040  
Your Correspondence Dated: July 9, 2003

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision regarding your appeal of SLD's Year 2001 Funding Commitment. This letter explains the decision for the Application Number indicated above. This letter explains the decision. The date of this letter begins the 60-day time period for your appeal to the Federal Communications Commission ("FCC"). If your letter was sent regarding more than one Application Number, please note that for each Application Number, a separate letter is sent.

Decision on Appeal: 618040  
Decision on Appeal: Denied in full  
Explanation:

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision regarding your appeal of SLD's Year 2001 Funding Commitment. This letter explains the decision for the Application Number indicated above. This letter explains the decision. The date of this letter begins the 60-day time period for your appeal to the Federal Communications Commission ("FCC"). If your letter was sent regarding more than one Application Number, please note that for each Application Number, a separate letter is sent.

requirements that you possessed as a volunteer without prejudice. You stated by stating that your assistance was completely neutral and that all contractor selections were reviewed solely by the school.

Upon review of the appeal it was determined that the applicant's Form 470 (Application Number: 207000000309763) included service provider contact information in Item 11 of the Form. This information includes the name of Gail Shirar, telephone number: 202.483.3326. Gail Shirar was confirmed by SLD as being the contact person for Connectivity+ Inc., P.O. Box 73856, Washington, DC 20056-3856, SPIN: 143017449, telephone number: 202.483.3326. SLD determined based on the information listed on the submitted SLD Form 470 and the information listed within a SPIN contact search. Program rules require the applicant to provide a fair and open competitive bidding process. Per the SLD website, "In order to be sure that a fair and open competition is achieved, any marketing discussions you hold with service providers must be conducted in accordance with the competitive bidding process. That is, you should not have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow them to unfairly compete in any way. A conflict of interest exists, for example, when an applicant's consultant, who is involved in determining the services sought by the applicant and who is involved in the selection of the applicant's service providers, is associated with a service provider that was selected." Since the applicant's consultant/consultant personnel was the contact person for a service provider from whom the applicant is requesting services, all PRNs that are associated with this Form 470 must be denied as required by program rules. Consequently, the appeal is denied.

FCC rules require applicants to seek competitive bids and in selecting a service provider to carefully consider all bids.<sup>1</sup> FCC rules further require applicants to comply with all applicable state and local competitive bidding requirements. In the May 23, 2000 *MasterMind Internet Services, Inc. (MasterMind)* appeal, the FCC denied an appeal to uphold SLD's decision to deny funding where a MasterMind employee was listed as the contact person on the FCC Form 470 and MasterMind participated in the competitive bidding process initiated by the FCC Form 470. The FCC reasoned that under those circumstances, the Forms 470 were defective and that the Commission's competitive bidding requirements were not satisfied. In the *MasterMind* appeal, the funding requests were properly denied. Pursuant to FCC guidance, this principle applies to any service provider contact information on an FCC Form 470 including address, telephone and fax numbers and email address. SLD denies your request to reconsider the decision to rescind the funding request.

<sup>1</sup> 47 CFR §§ 1.511(a) and 1.511(b).

<sup>2</sup> 47 CFR §§ 1.511(a) and 1.511(b)(2)(vi).

<sup>3</sup> *MasterMind Internet Services, Inc., Federal-State Joint Board on Universal Service, Changes to the Board of Directors of National Exchange Carrier Association, Inc., CC Docket No. 00-21, Order of FCC Rod 4028 (2000).*

4

Box 125 - Correspondence Unit, 80 South Jefferson Road, Waukegan, Illinois 60087-0125  
Visit us online at: <http://www.sld.usdoe.gov>

See also: 48 CFR, 27.505(a), (b)

cc: President Washington  
1301 V Street North West  
Washington, DC 20009

Schools and Services Division  
Federal Service Administrative Company

We thank you for your continued support, patience, and cooperation during this process.

It is our belief that there is a basis for further examination of your application. You should submit an appeal with the Federal Communications Commission (FCC). You should submit an appeal with the FCC. Your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via the United States Postal Service, send to: FCC, Office of the Secretary, Room 20554, Further information and instructions can be found in the "Appeals Procedure" posted in the reference area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

Conflict of interest principles that apply in competitive bidding situations include preventing the existence of conflicting roles that could bias a contractor's judgment, and preventing unfair competitive advantage. A competitive bidding involved in determining the services sought by the applicant and who is involved in the selection of the applicant's service providers, is associated with a service provider that was selected.